

January 13, 2006

ACCOUNTING FOR RECYCLING REVENUE AT VHA FACILITIES

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides policy for processing VHA revenue generated through Recycling and Waste Prevention Program activities.

2. BACKGROUND

a. Executive Order 13101, (dated September 14, 1998), Greening the Government through Waste Prevention, Recycling, and Federal Acquisition, mandates that all Federal agencies shall initiate a program to promote cost effective waste prevention and recycling of reusable materials in all of their facilities. VHA coordination of the program will be provided by Environmental Programs Service (10NP) in concert with the program officials responsible for facilities management, waste prevention, recycling, and logistics.

b. The 2004 Consolidated Appropriations Act, Public Law 108-199 (dated January 23, 2004), Division F, Title VI, § 607, 118 Statue 351, continues the authorization of the Department of Veterans Affairs (VA) to receive and use funds resulting from the sale of materials, including Federal records disposed of pursuant to a records schedule recovered through recycling or waste prevention programs. Monies received by facilities, which occupy General Services Administration (GSA) rental property and/or space, are deposited into the Federal Building Fund (47X4542.001). All other revenue earned by VHA recycling and waste prevention programs is available for VHA use; these funds remain available for obligation until expended (e.g., No-Year Funds).

c. To encourage increased recycling efforts within VHA, facility Directors, with the exception of those in GSA managed facilities, are authorized to receive and distribute recycling revenues.

3. POLICY: It is VHA policy that at each qualifying VHA facility an account is established in the no-year medical facilities appropriation as listed in Attachment A, "Accounting for Recycling Revenue at VHA Facilities."

4. ACTION: Facility Directors are responsible for ensuring that recycling revenues are used within the following areas, as specified in Public Law 108-199 (see subpar. 2b):

a. Acquisition, waste reduction, prevention, and recycling programs as described in Executive Order 13101, including any such programs adopted prior to the effective date of the Executive Order.

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b. Other VHA environmental management programs, including but not limited to, the development and implementation of hazardous waste management and pollution prevention programs.

c. Other employee programs as authorized by law, or as deemed appropriate by the VHA facility Director.

5. REFERENCES

a. Federal Management Regulation, Title 41 Code of Federal Regulations (CFR) Part 102-38.295, Disposition of Proceeds, dated August 26, 2003.

b. Office of Financial Management (OFM) Bulletin 96G1.1: Recycling Revenue, dated October 20, 1995.

c. VA Handbook 0052.

d. M-1, Part VII, Chapter 14, "Waste Management," dated September 19, 1994.

6. FOLLOW-UP RESPONSIBILITY: The VHA Chief Financial Officer (17) is responsible for the contents of this Directive. Questions may be directed to 202-273-8340.

7. RESCISSIONS: VHA Directive 96-042, Recycling Revenue, dated June 28, 1996, is rescinded. This VHA Directive expires January 31, 2011.

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Attachment

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ATTACHMENT A

ACCOUNTING FOR RECYCLING REVENUE AT VHA FACILITIES

In order for the Veterans Health Administration (VHA) to monitor and track deposits, unobligated balances, and expenditures of funds under medical center recycling programs, a no-year revolving fund has been established under the existing no-year medical facilities appropriation.

1. Treasury Symbol: 36X0162 Medical Facilities VA: The new fund code 0162X2 is a no-year fund and uses the same budget structure and reference table setup as the former 0160X2 fund.

2. Revenue Program: The Accounts Receivable (AR)-06 process cycle that makes facility collections available at the allowance level is set up for this fund.

3. Budget Fiscal Year (BFY): The BFY is the BFY that applies to the transactions being processed. BFY 2004 is the base year.

4. Revenue Source Code (RSC): The RSC used to identify recycling revenues for VHA is 8031.

5. Accounting Classification Code (ACC): The ACC assigned for the recycling program to record revenue, obligations, and expenditures is 0100401Y1.

6. Accounting Set-up

a. Transactions were established in the Financial Management System (FMS) application tables with all the necessary data, including zero budgets down to the Suballowance Spending (SASP) control table, allowing revenue collections to be available for obligating and expending using existing FMS transactions.

b. Facilities need to go into the Integrated Funds Distribution, Control Point Activity, Accounting and Procurement System (IFCAP) Data Dictionary and set up the new fund control points prior to submitting any transactions to FMS for the 0162X2 fund. Once IFCAP submits the new fund control points to FMS, facilities will be able to enter zero dollar Spending Allowance (SA) documents to establish the new ACC in the SASP table. Once these steps are successfully completed, facilities will be able to make input to the 0162X2 fund.

7. Accounting Procedures: To record a deposit of recycling revenue, use an FMS transaction code or transaction type of Cash Receipt (CR) 05, revenue source code 8031, and ACC 0100401Y1.

8. Recording Obligations and Expenditures: Accounting for obligations and expenditures is the same as the procedures followed for other medical care appropriations, as detailed in the FMS Procedures Guide for Field Stations.

9. Correcting Previously Recorded Accounting Data

a. Public Law 103-329, Section 608, was enacted on September 30, 1994. Since then, VA has been authorized to deposit recycling income as revenue and use the funds for the purposes listed in subparagraph 4 of this Directive. Recycling funds may have been deposited in other funds, for example: Suspense Fund (3875), General Fund Receipts (3220), Special Therapeutic, Rehabilitation Activities Fund (4048), Medical Facilities Revolving Fund (4138), General Post Fund (8180), Recycling Income (0160X2), or other annual medical care appropriations.

b. Facilities need to record recycling revenues in the no-year revolving medical facilities fund 36X0162 (FMS fund code 0162X2). In addition, facilities must clear recycle revenues held in the suspense accounts and record them in the 0162X2 fund. Facilities holding recycling money in the suspense account fund need to enter an ET 03, followed with a CR 05 to deposit the funds into 0162X2, using ACC 0100401Y1 and Revenue Source Code. Facilities must record the CR 75 to ensure that budgetary authority is created in the recycling fund.

c. Recycling revenues are not be deposited in General Fund Receipt Accounts such as 36 3220 or in VA funds such as 36X4048 or 36X4138. Recycling revenues must be posted to VA fund 0162X2 to ensure the income is recorded in a special fund where proceeds can be used to benefit medical facilities.

d. Station accountants who recorded recycling revenues to Miscellaneous General Fund Receipts (36 3220) need to review those transactions for materiality. If material, facility management might want to transfer those receipts from the Treasury General Fund Receipt Account to the Recycling Fund. The recommended procedure to accomplish this transfer is to reverse the original CR transaction which deposited the funds in the General Fund Receipt account, followed by a CR 75 to record the funds in 0162X2, using ACC 0100401Y1 and Revenue Source Code 8031. This allows the facility to avoid using Treasury account 20X1807 and having to record a second deposit through the SF 224 for the recycling funds.

e. If recycling revenue was temporarily recorded in the STRAF fund (36X4048), facilities need to reverse those postings in fund code 4048 and enter the revenue in the 0162X2 fund. These adjustments may be accomplished by reversing the original CR transactions and entering CR 75 transactions for the recycling fund.

f. If facility accountants recorded recycling revenues in funds other than those covered in the preceding paragraphs, and have questions concerning data corrections or any other accounting-related issues, they may contact the staff of the VHA Chief Financial Officer (CFO) by emailing a message to the VHA Accounting Policy (173A) mailbox.